

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

Board Retreat Agenda Red Lion Hotel Vancouver at the Quay July 30-31, 2003

July 30, 2003

9:30 – 10:15 a.m.	Welcome, Introductions - Gull's Nest Room	David Harrison
	Great Expectations and Next Steps for the Workforce Training and Education Coordinating Board: How Can We Have the Best Workforce System in the Country?	
10:15 – 11:45 a.m.	Progress to Date on Key Goals (TAB 1)	Ellen O'Brien Saunders
11:45 – 12:30 p.m.	Lunch - Poolside Room	
12:30 – 2:30 p.m.	Communications and Advocacy: Getting Your Message Out (TAB 2) <i>How can we improve the way we communicate and advocate with the public, with the workforce community, and with policymakers so that the commitment to meet workforce goals will grow?</i>	Guest Speaker from League for Education Voters
2:30 – 3:00 p.m.	Break	
3:00 – 4:45 p.m.	Perspectives on the Legislature (TAB 3) <i>How will the Washington State Legislature address multiple human investment and capacity issues, and how can we best serve their needs as they proceed?</i>	Guests
4:45 – 5:00 p.m.	Summary of the Day	David Harrison/All
5:00 p.m.	Adjourn	
6:30 – 9:00 p.m.	Dinner at Beaches Restaurant	All

July 31, 2003

7:00 – 8:30 a.m.	Breakfast - Poolside Room	All
8:30 – 8:45 a.m.	Reconvene – Gull’s Nest Room	David Harrison
	Overnight Thoughts? What Did We Learn?	
8:45 – 10:30 a.m.	Policy Issues on the Horizon	Board Members
	<i>What policy changes in the Workforce Investment Act and other state and federal legislation do we anticipate and should we support? How should we prepare?</i>	
10:30 – 11:00 a.m.	Break	
11:00 – Noon	Summary and Priority Setting: What Comes Next?	All
Noon – 1:00 p.m.	Lunch - Poolside Room	
	Action on Allocation Plan for Workforce Investment Act Section 503 Incentive Grant Allocations (TAB 4)	Bryan Wilson
1:00 p.m.	Meeting Adjourn	

TAB 1

Workforce Development

Overview of Washington State's Workforce Development System and Performance Results

Workforce Training and Education Coordinating
Board Retreat
July 2003

Workforce Development System

Statutory Definition (RCW 28C.18.010) and
E.O. 99-02

- 18 programs
- 7 administering agencies
- \$851 million per year (last biennium)

State Workforce Development System Annual Resources

State Board for Community & Technical Colleges	Postsecondary Technical Education (all state \$)	\$286,448,014
	Adult Education and Basic Skills (\$6 million fed.)	\$116,144,645
	Carl D. Perkins Postsecondary Technical Education (all fed. \$)	\$13,240,995
	Worker Retraining Program (all state \$)	\$28,486,000
	Volunteer Literacy Program (all state \$)	\$362,365
	Job Skills Program (all state \$)	\$567,000

State Workforce Development System Annual Resources

Office of Superintendent of Public Instruction	Secondary Career and Technical Education (all state \$)	\$230,338,000
	Carl D. Perkins Secondary Career and Technical Education (all fed. \$)	\$9,238,590
	Even Start Family Literacy Program (all fed. \$)	\$3,024,795
Employment Security Department	WIA, Title I-B Dislocated Worker Program (all fed. \$)	\$27,119,437
	WIA, Title I-B Adult Program (all fed. \$)	\$21,031,292
	WIA, Title I-B Youth Program (all fed. \$)	\$23,156,595
	Training Benefits Program (all state \$)	\$20,000,000
	Wagner-Peyser (all fed. \$)	\$16,179,605

State Workforce Development System Annual Resources

Department of Social and Health Services	Division of Vocational Rehabilitation (\$36 million fed.)	\$46,275,494
Department of Services for the Blind	Vocational Rehabilitation for the Blind (\$5 million fed.)	\$6,855,760
Opportunities Industrialization Center	Employment and Training for Migrant Seasonal Farm Workers (all fed. \$)	\$1,954,811
Department of Labor and Industries	Apprenticeship (all state \$)	\$990,272
Private Career Schools	(no public funds)	
Total Public Funds		\$851,413,670

Workforce Training and Education Programs

2001-02 Participation

Office of Superintendent of Public Instruction		State Board for Community and Technical Colleges		Employment Security Department		Department of Social and Health Services		Department of Labor and Industries																			
Secondary Career and Technical Education		Work-Related Adult Basic Skills Education		Job Preparatory Training		Skill Upgrading		Job Skills Program		Worker Retraining Program		Wagner-Peyser Employment Services		WA Title I-B		Division of Vocational Rehabilitation		Private Career Schools		Apprenticeship							
188,914 Participants		30,100 Participants		77,440 Participants		83,370 Participants		400 Participants		13,836 Participants		290,800 Participants		5,253 Participants		7,827 Participants		5,646 Participants		24,892 Participants		1,209 Participants		2,990 Participants		12,392 Participants	
														Adults		Dislocated Workers		Youth									

Measuring Performance

“High Skills, High Wages”

- Key performance measures

“Workforce Training Results”

- Measures of program outcomes and net impacts

WTECB as an agency

- Balanced scorecard outcome measures

“High Skills, High Wages”

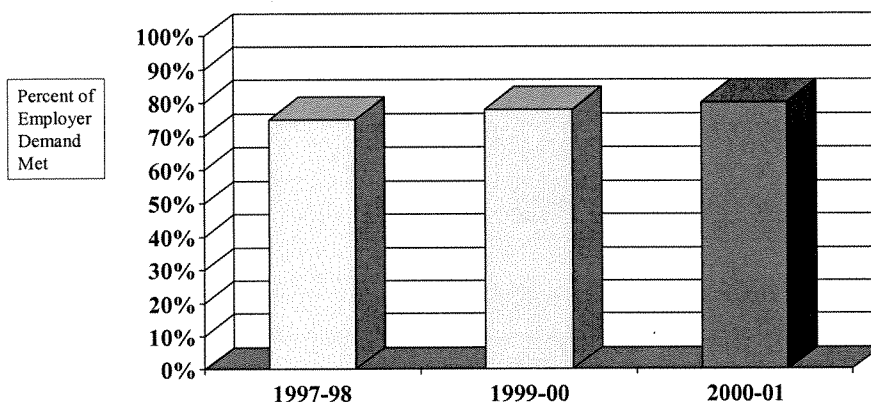
11 Key Performance Measures

Challenge One: Skills Gap

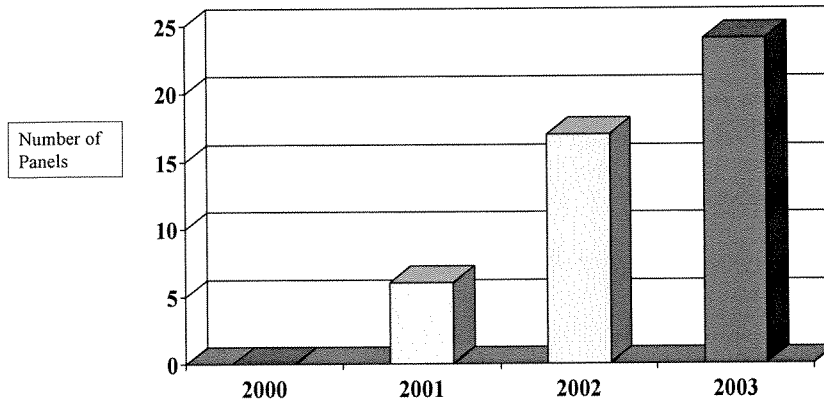
Goal 1: To close the gap between the need of the employers for skilled workers and the supply of Washington residents prepared to meet that need.

Percent of Employer Demand Met

The number of community and technical college students, private career school students, and apprentices prepared for work compared to the number of net job openings for workers at that education level.



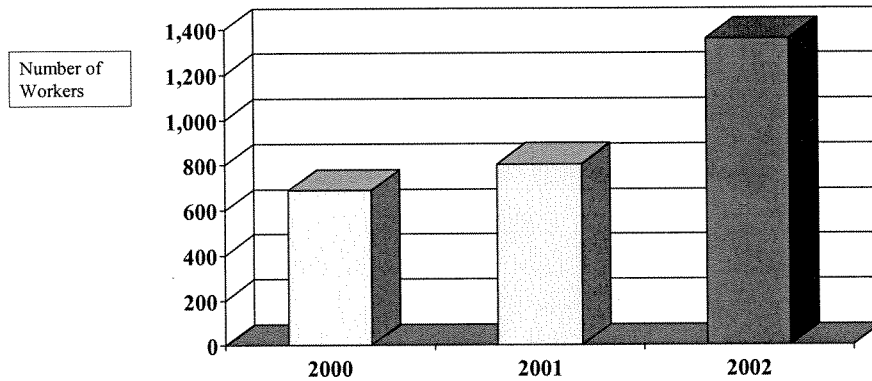
Number of Industry Skill Panels



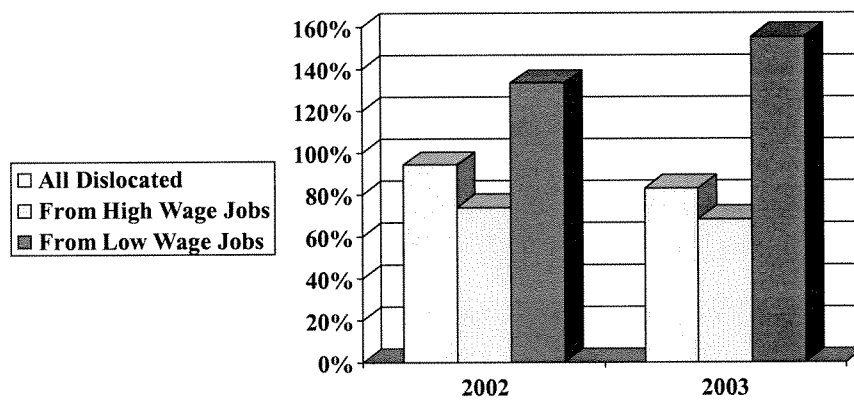
Challenge Two: Incumbent and Dislocated Worker Training

Goal 2: To enable workers to make smooth transitions so that they, and their employers, may fully benefit from the new, changing economy, by putting in place a coherent strategy for dislocated and incumbent worker training.

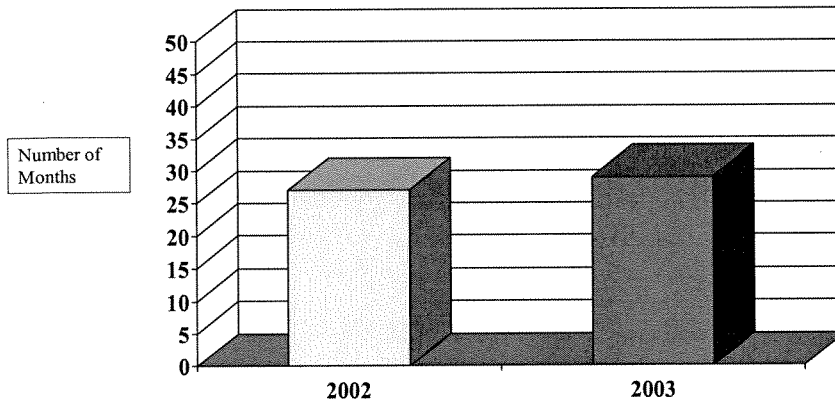
Number of Incumbent Workers Receiving Publicly Funded Customized Training



Dislocated Workers' Earnings Replacement (Program Participants Only)



Average Length of Dislocation (Program Participants Only)



Challenge Three: Wage Progression

Goal 3: To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and low wage workers to move up the job ladder during their lifetimes by developing a wage progression strategy for low income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.

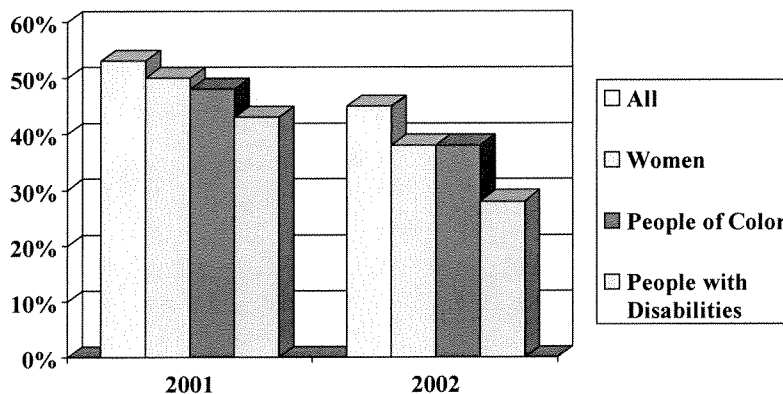
Wage Progression

Percentage of Ninth Grade Students that Graduated with their Class (On-Time Cohort Graduation Rate)

2002: 66 percent (Estimated by OSPI. OSPI indicates that due to incomplete and inaccurate data, this is an estimate and is not comparable to previous estimates.)

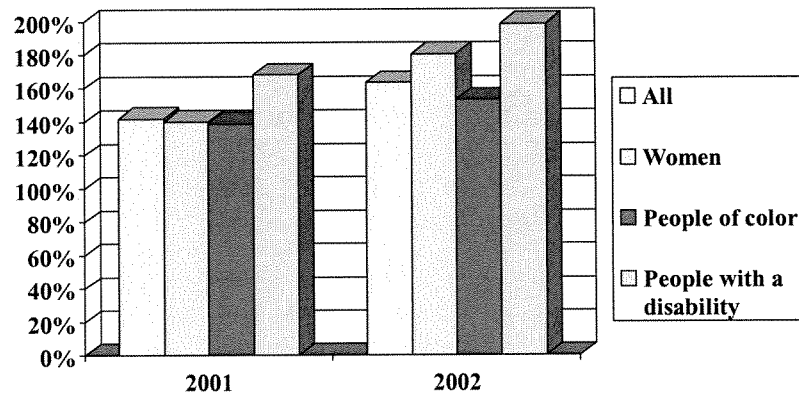
Wage Progression

Among participants starting below the poverty line, the percentage with personal earnings above the poverty line during the second year after leaving their program.



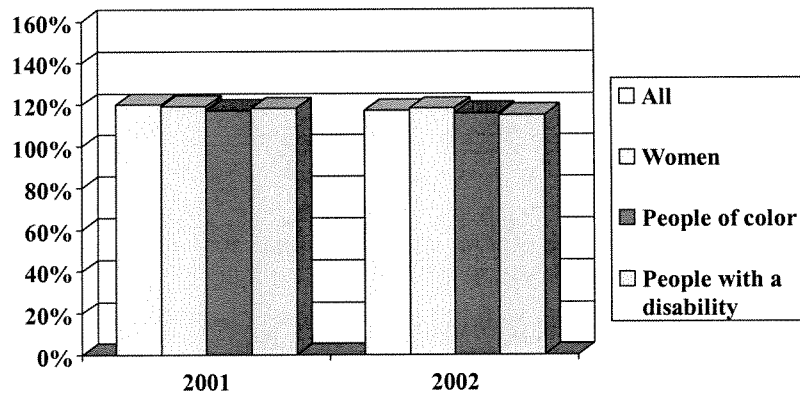
Wage Progression

Among participants starting below the poverty line, participant **annual earnings** during the third year after leaving their program compared to the first year after leaving.



Wage Progression

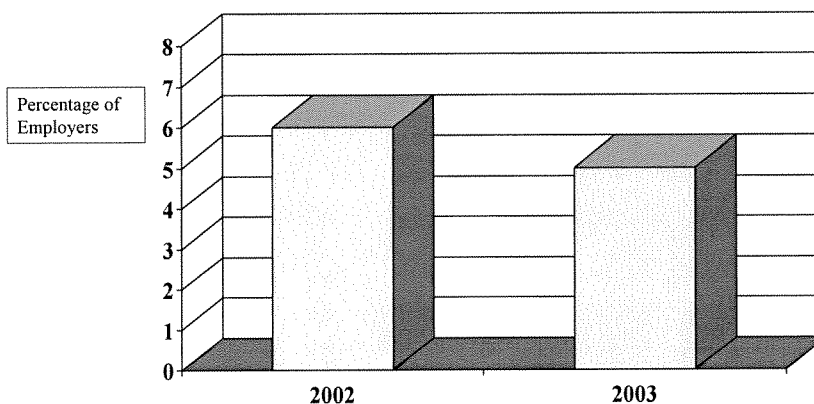
Among participants starting below the poverty line, participant **hourly wages** during the third year after leaving their program compared to the first year after leaving.



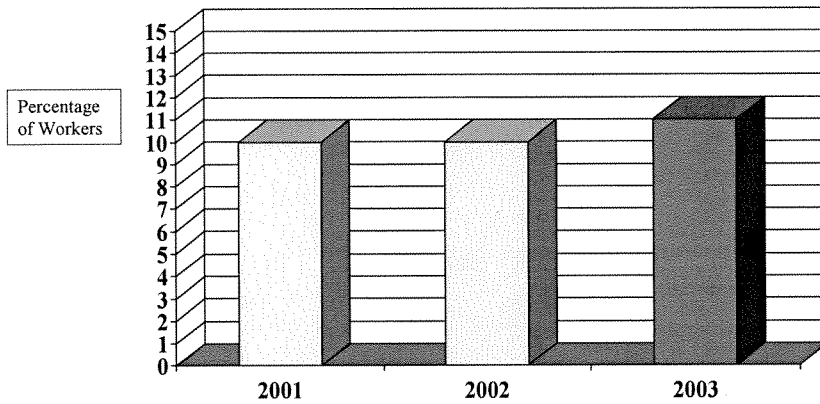
Challenge Four: Facilitate the Integration of Workforce Development Programs

Goal 4: Integrate workforce development programs to improve customer service.

**Percentage of Total Employers Using
WorkSource**
(Not Counting Electronic Self-Service)



Percentage of Total Workers Using WorkSource (Not Counting Electronic Self-Service)



Customer Perception of Seamlessness

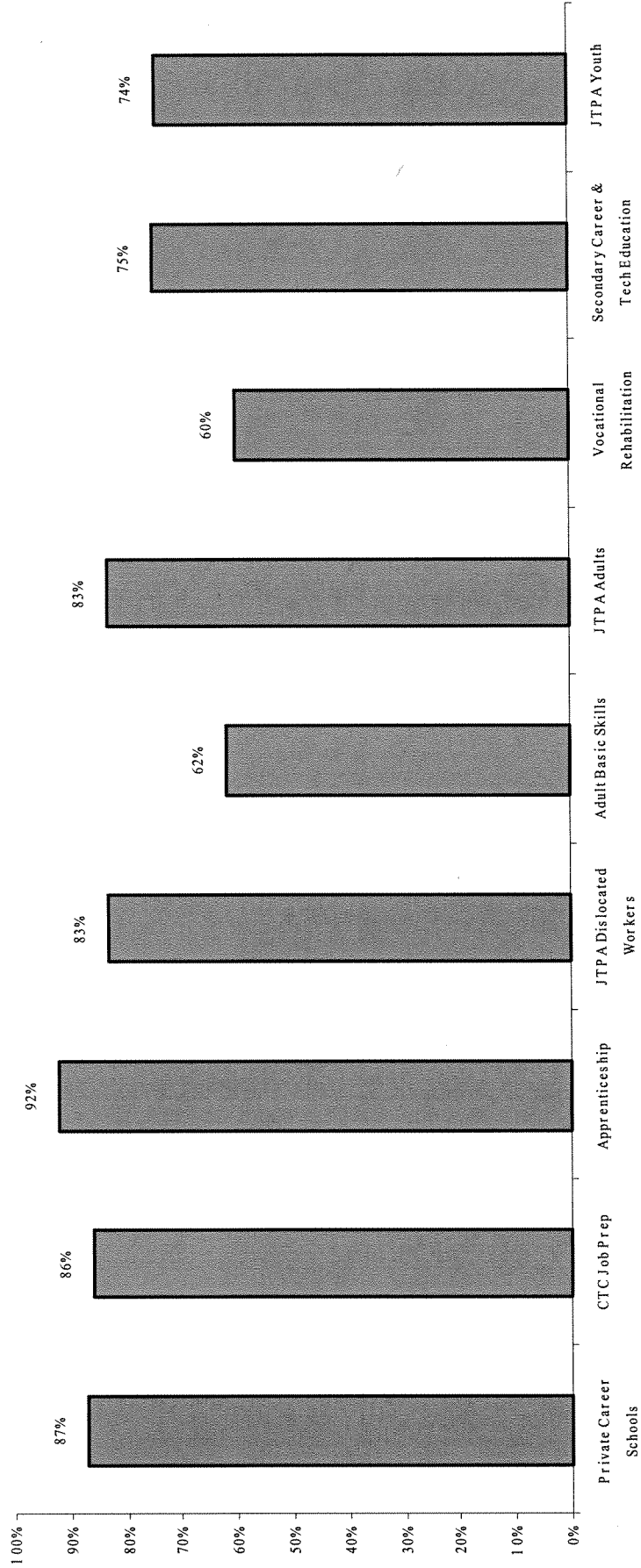
2002: 78.1 percent of WorkSource customers report the State did an excellent or good job in making the program easy to use.

**“Workforce Training Results”
Program Performance Measures**

- Employment Rates
- Earnings Levels
- Participant Satisfaction
- Employer Satisfaction
- Net Impacts
- Return on Investment

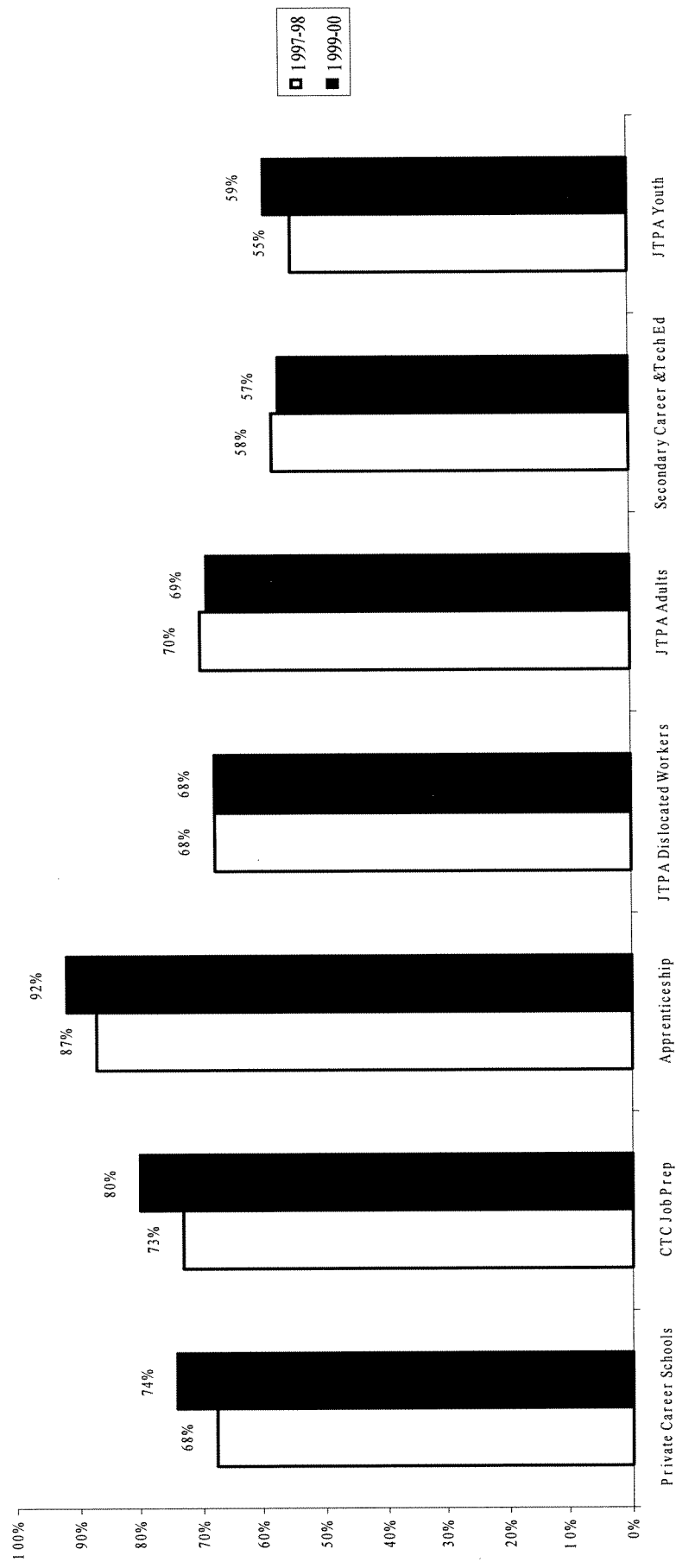
Employment Rate

(Percentage of Participants Self-Reporting Employment 6 to 9 Months After Leaving Their Program)



Training Related to Employment

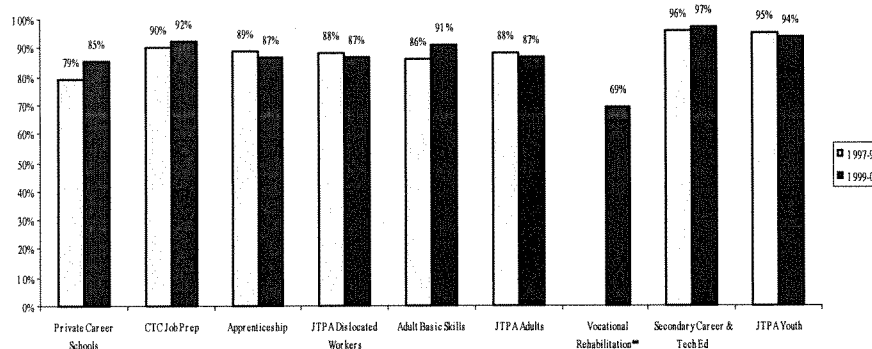
(Percentage of employed former participants who said training was related to job held 9 months after leaving the program)



Median Hourly Wages and Annualized Earnings of Participants Six to Nine Months After Leaving the Program

	Hourly Wages of 1999-2000	Annualized Earnings of 1999-2000	Percentage Change from 1997-98*	
			Hourly Wages	Earnings
PROGRAMS FOR ADULTS				
Community & Tech. College (CTC) Job Preparatory Training	\$13.17	\$24,227	16%	20%
Private Career Schools	\$11.24	\$19,353	20%	18%
Apprenticeship	\$19.24	\$32,420	10%	15%
JTPA Dislocated Workers	\$12.88	\$24,075	1%	1%
CTC Worker Retraining	\$12.86	\$23,351	10%	8%
PROGRAMS FOR ADULTS WITH BARRIERS				
Adult Basic Skills	\$9.25	\$15,317	4%	-3%
JTPA Adults	\$9.72	\$15,523	5%	1%
DVR Vocational Rehabilitation	\$9.17	\$13,013	6%	4%
PROGRAMS FOR YOUTH				
Secondary Career & Tech. Ed.	\$8.28	\$10,258	6%	3%
JTPA Youth	\$7.65	\$7,364	12%	9%
*All figures are reported in 2001 quarter one dollars; i.e., controlling for inflation				

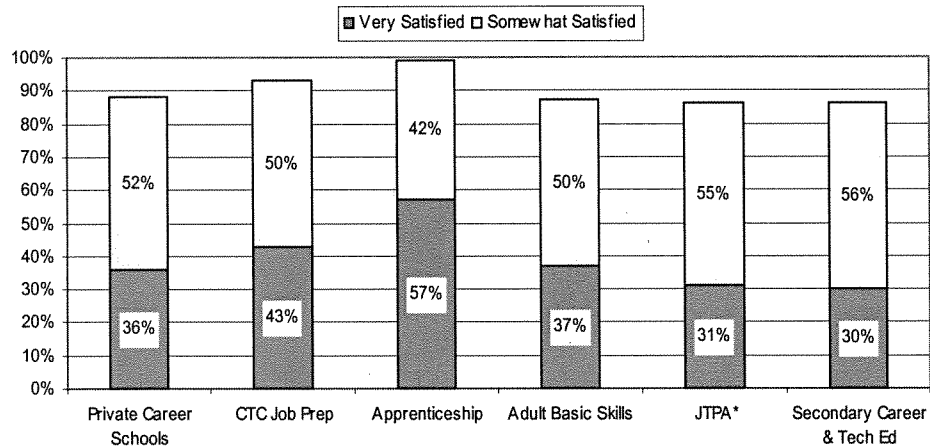
Percentage of Participants Satisfied with their Program



*Average of percentage meeting educational objectives and percentage satisfied with overall quality of their program

**Figure is the percentage reporting overall satisfaction with the program

Percentage of Employers Satisfied with the Overall Work Quality of New Employees Who Recently Completed a Program



*Refers to all JTPA participants (II-A, III, and II-C).

Longer-Term Employment and Earnings Net Impacts

	Employment	Quarterly Earnings (among those working)	Lifetime Earnings*
Community & Technical College (CTC) Job Prep. Training	7.0%	\$1,185	\$96,263
Apprenticeship	5.3%	\$1,908	\$162,443
JTPA III Dislocated Workers	7.3%	\$466	\$75,293
CTC Worker Retraining	6.3%	\$423	\$66,268
JTPA II-A Adults	7.4%	\$543	\$61,565
Adult Basic Skills	1.6%	**	\$5,263***
Secondary Career & Technical Education	5.7%	\$451	\$59,363
JTPA II-C Youth	5.3%	**	\$28,853****

Longer-term refers to impacts observed eight to eleven quarters after leaving the program.

Longer term impacts were not estimated for private career school programs because of data constraints.

*This is the increase in earnings (above that of the comparison group) projected to age 65 and discounted at 3 percent. Includes effects from increased employment and increased earnings among those employed.

**Not statistically significant at the 0.10 level.

***Increases in employment more than offset the lack of earnings impacts among the employed.

****Increases in employment more than offset the lack of earnings impacts among the employed.

Participant Benefits, Public Costs, and Increases in Tax Receipts to Age 65

	Participant Benefits*	Public Costs**	Increased Tax Receipts***
Community & Technical College (CTC) Job Prep. Training	\$114,141	\$6,916	\$24,210
JTPA III Dislocated Workers	\$78,177	\$2,575	\$18,936
CTC Worker Retraining	\$65,025	\$4,692	\$16,666
JTPA II-A Adults	\$73,518	\$3,384	\$15,484
Adult Basic Skills	\$6,038	\$983	\$1,324
Secondary Career & Technical Education	\$71,236	\$870	\$14,930
JTPA II-C Youth	\$34,281	\$2,325	\$7,257

*Present value of the additional lifetime earnings and employee benefits less foregone earnings during program participation.

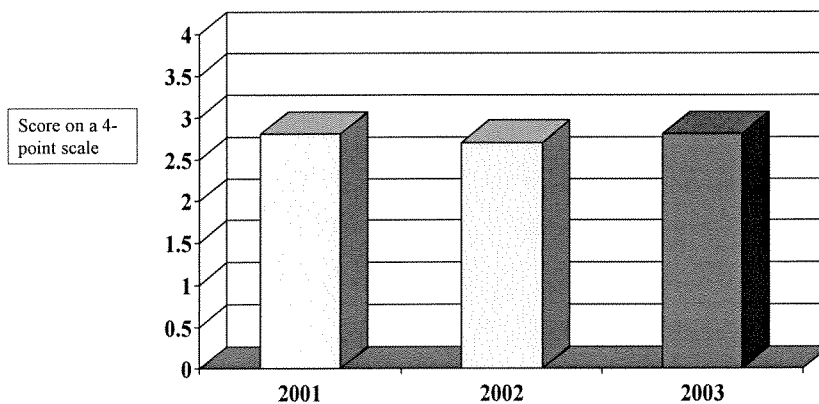
**State and federal program costs per participant.

***Present value of additional social security, Medicare, federal income, and state sales taxes generated by increased participant earnings to age 65. Cost-benefit comparisons were not made for apprenticeship and private career school programs due to data constraints.

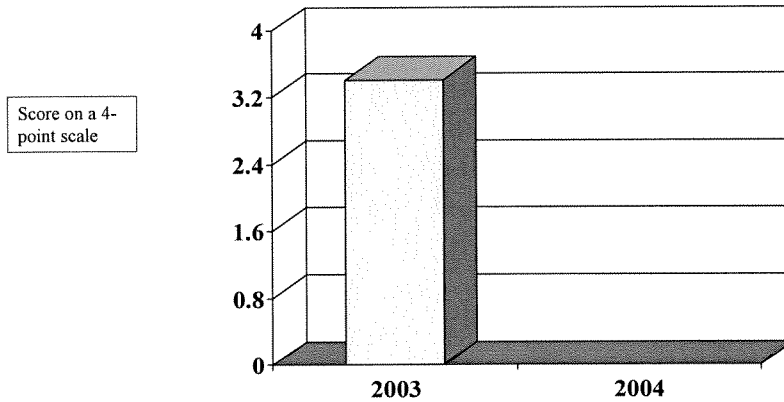
WTECB Balanced Scorecard Outcome Measures

8 Measures of the Outcomes
Produced by WTECB and its Partners

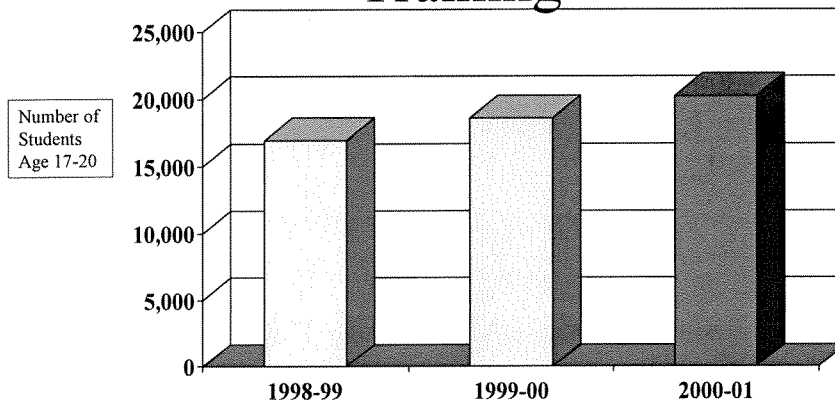
Assessment of System Building



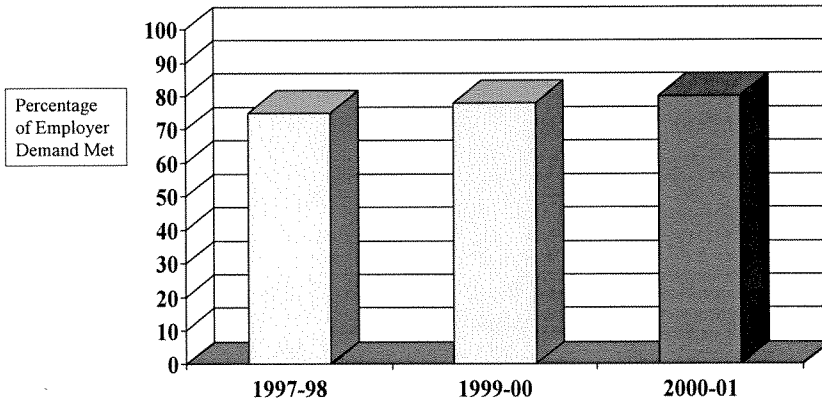
Assessment of Partnership Building



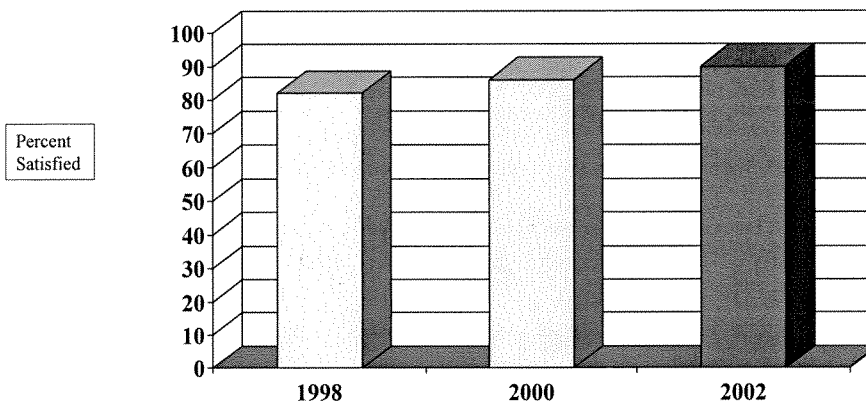
Youth Enrollment in Postsecondary Workforce Training



Closing the Skill Gap for Postsecondary Training

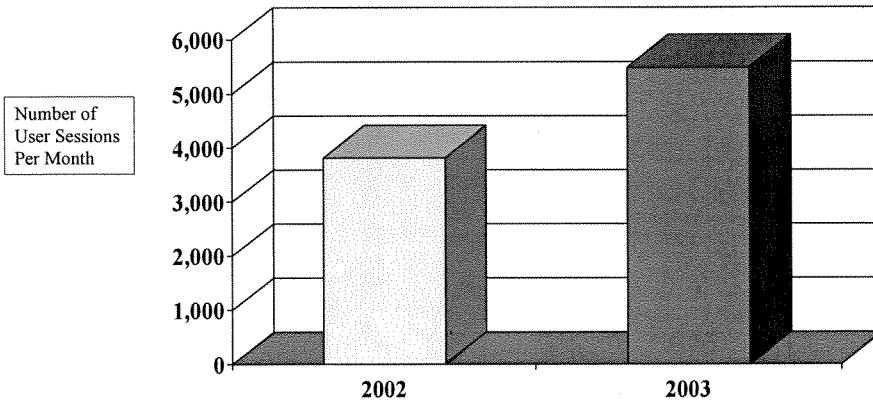


Customer Satisfaction with WTECB Publications

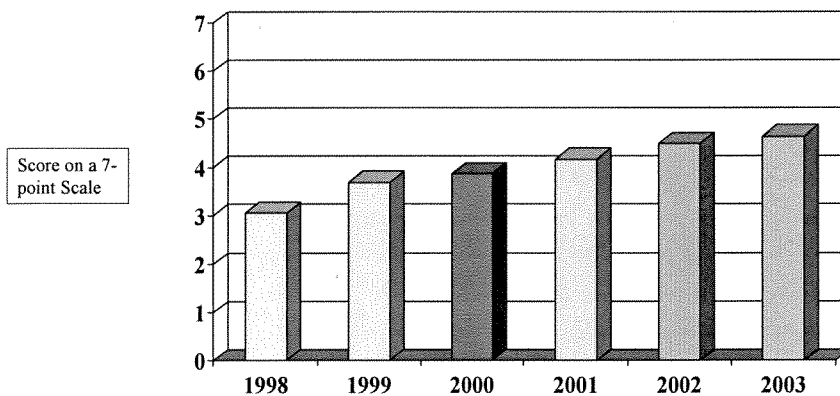


Customer Use of Consumer Report Websites

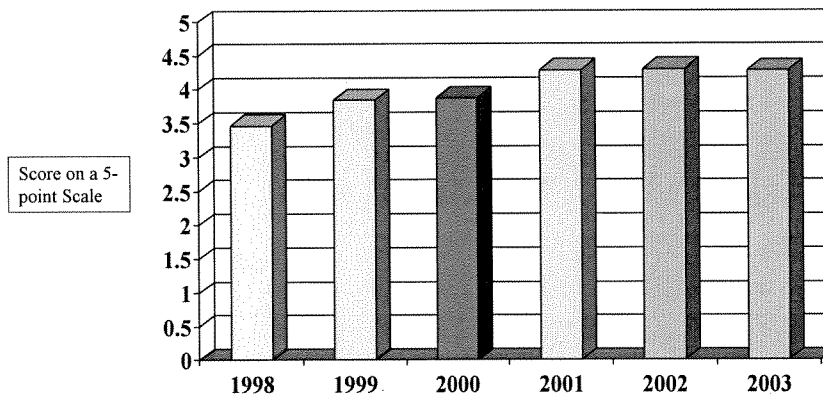
(User Sessions Viewing Program Information on Consumer Report Websites)



WTECB Assessment based on Baldrige Criteria



WTECB Employee Satisfaction



TAB 2

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
BOARD RETREAT
JULY 30-31, 2003**

ISSUES FOR WORKFORCE DEVELOPMENT

Below are some of the major challenges facing the workforce development system, challenges that could benefit from increased attention, including marketing, system improvement, and political and policy action. They are presented in no special order.

❖ Demographic changes

As we look ahead, we see a wave of baby boomers leaving the full time labor force. How will we meet our workforce demands? The graying of the labor force offers unprecedented higher wage opportunities for well-prepared young people, people of color, and people with disabilities. What will it take to take advantage of this promise? How are leaders in education, business, and labor responding to the demographic changes ahead?

❖ Reducing the dropout rate for high school students

Only about 66 percent of Washington ninth graders graduate four years later with their class. According to research sponsored by the Gates Foundation, Washington's graduation rate ranks 32nd among the 50 states.

❖ Increasing the number of young people who immediately go into postsecondary workforce training after high school

The average age at which participants enroll in postsecondary workforce training is about 27 years of age. Only about one-fifth begin during the traditional college years. It is all too common for young people to leave high school, drift between low wage jobs and unemployment until about 10 years later they enroll in postsecondary training.

❖ Closing the gap between supply and demand for workers with postsecondary vocational training

While the state has been making progress, the supply of newly prepared workers with more than one year but less than four years of postsecondary training still only meets 80 percent of the demand in job openings. Progress on closing the gap may come to a stop with state budget cuts. Much of the press this year has been on the need to increase enrollments at four-year institutions.

- ❖ Improving workforce results for target populations (women, people with disabilities, and people of color)

The labor market outcomes for target populations that have participated in workforce development programs are persistently lower than for white males without a disability. Research suggests this may be due, at least for women, to disproportional enrollments in lower paying fields of study.

- ❖ Increasing employer investments in training employees

Nationally, most estimates are that employers invest between 1 and 2 percent of payroll on employee training, about \$300 per worker. The President of the National Association of Manufacturers has called on member companies to invest 3 percent of payroll on training.

- ❖ Increasing the supply of health care workers

There are 2,500 vacant registered nurse positions in Washington. This is just one of the shortage areas. Each year Washington needs about 4,200 more health care workers with training from a community or technical college or private career school. But the current supply is only about 3,000 per year. Health care is a clear priority for 2003-04; other industries can also be addressed.

TAB 3



SAMPLE

STATE OF WASHINGTON

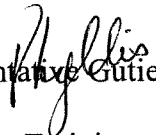
Workforce Training and Education Coordinating Board

128 - 10th Avenue, S.W. • P.O. Box 43105 • Olympia, WA 98504-3105

Phone: (360) 753-5662 • Fax: (360) 586-5862 • Web: www.wtb.wa.gov • Email: wtecb@wtb.wa.gov

July 1, 2003

The Honorable Phyllis Gutierrez Kenney
Washington State House of Representatives
12345 30th Avenue NE #E
Seattle WA 98125

Dear Representative  Gutierrez Kenney:

The Workforce Training and Education Coordinating Board is holding its annual planning session July 30-31, 2003, at the Red Lion Hotel at the Quay in Vancouver, WA. You can help us make it a success.

On behalf of the Board, I would like you to join us and other legislative colleagues on July 30th to share your perspectives on the following questions:

- **What is your sense of the most pressing workforce development issues?
- **What are your constituents' concerns/interests with regard to education and training for the workforce? Opportunities for employment?
- **What issues do you see ahead for the legislature that might be relevant to the Board's interests and role?
- **What do you want to know from the Board or its agencies/customers? What services do you need? Expect?
- **As the Board does its work on analyzing the impact of the reauthorization of the Workforce Investment Act on our state, and prepares its advice to you and the Governor, how best can we engage you?

Our new Chair, David Harrison, will guide the discussion. You needn't feel that these are the only topics you can address; if there is an issue you feel the Board should be aware of, please don't hesitate to raise it.



Representative Gutierrez Kenney
July 1, 2003
Page 2

The meeting begins at 10:00 am with a presentation that reviews our progress in meeting key goals. I encourage you to join us for this discussion. We will then break for lunch, and hear from you at 12:30 pm. This part of our program should conclude no later than 2 pm.

Please contact Mary Reister at 360-753-5660 or mreister@wtb.wa.gov if you'll be able to join us. I will call you several days before the retreat to discuss your role in a bit more detail and to answer any questions you may have. We'll also send you directions and an agenda closer to the 30th.

I do very much hope that your busy schedule will be able to accommodate this invitation.

Sincerely,



Ellen O'Brien Saunders
Executive Director

cc: David Harrison, Chair
Wes Pruitt

*This is the meeting we
discussed a week or
so ago — Hope you
can make it!*

TAB 4

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
BOARD RETREAT
JULY 30-31, 2003**

**WORKFORCE INVESTMENT ACT SECTION 503 INCENTIVE GRANT
DISTRIBUTION OF FUNDS TO WORKFORCE DEVELOPMENT AREAS**

At its June special meeting, the Board adopted the state application to the Department of Labor for a Workforce Investment Act (WIA) Section 503 Incentive Grant. The state is eligible to receive \$3 million for exceeding the performance targets for each of WIA Title I-B, Perkins, and Adult Education and Family Literacy. The state application identified the activities to be funded and the local application process. Left to be determined was the distribution of funds to the Workforce Development Areas.

Since the June Board meeting, the Performance Management for Continuous Improvement (PMCI) workgroup prepared and analyzed options for the distribution of the Grant. The options were discussed by the directors of the Workforce Development Councils and by the Interagency Committee (IC). The IC arrived at the consensus recommendation presented here for the Board's approval. Also included, as an attachment, is a description of how the distribution was determined, why it is the recommended distribution, and information on the other options that were considered.

After the Board decides on the distribution of funds, the next step will be to issue local application guidelines and for local areas to submit applications for their awards.

Board Action Required: Adoption of the motion.

RECOMMENDED MOTION

WHEREAS, Washington State is eligible to receive a Workforce Investment Act (WIA) Section 503 Incentive Grant of \$3 million for exceeding performance targets for WIA Title I-B, the Adult Education and Family Literacy Act (AEFLA), and the Carl D. Perkins Vocational and Applied Technology Education Act; and

WHEREAS, “High Skills, High Wages: Washington’s Strategic Plan for Workforce Development,” indicates that if the state receives such an award the Workforce Training and Education Coordinating Board will distribute the award to local Workforce Development Areas that exceeded their performance targets for WIA Title I-B, Adult Education, and the Perkins Act; and,

WHEREAS, The Workforce Board has analyzed options for distributing the funds in accordance with the State Plan and has consulted with representatives of the affected programs.

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board approves the attached Distribution of the Workforce Investment Act Section 503 Incentive Grant to local Workforce Development Areas.

**WORKFORCE INVESTMENT ACT SECTION 503 INCENTIVE GRANT
DISTRIBUTION OF FUNDS TO WORKFORCE DEVELOPMENT AREAS**

Workforce Development Area	Award
Olympic	\$130,707
Pacific Mountain	\$228,812
Northwest	\$188,220
Snohomish County	\$243,155
Seattle-King County	\$551,747
Tacoma-Pierce County	\$327,413
Southwest	\$216,147
North Central	\$221,291
Tri-County	\$260,200
Eastern Washington	\$206,313
Benton-Franklin	\$150,866
Spokane	\$275,129

WORKFORCE INVESTMENT ACT SECTION 503 INCENTIVE GRANT DISTRIBUTION OF FUNDS TO WORKFORCE DEVELOPMENT AREAS

ANALYSIS

“High Skills, High Wages” establishes certain parameters for the distribution of a Workforce Investment Act (WIA) Section 503 incentive grant:

If Washington State receives such an incentive award, the Workforce Board will allocate the funds to local areas that exceeded their expected level of performance in these programs. Washington will use the same 100 percent formula for determining whether or not areas have exceeded their expected levels of performance, except that we will include performance on the state core indicators, as well as the federal core indicators.

While this language provides guidance, there are a number of specific options that are available to achieve this distribution of funds.

A. Eligibility Options

Each of the eligibility options uses the concept of average performance compared to targets. This is the method used by the Department of Labor. The following illustrates how averaging works in the hypothetical example of a program with three performance measures.

Measure	Target	Actual	Percent of Target
Earnings	\$10,000	\$8,000	80%
Employment	70%	80%	115%
Retention	80%	90%	113%
Average Performance			103%

In this example, the average performance would be 103 percent of targets.

1. Average performance across all three programs (WIA Title I-B, Perkins, Adult Education)

THIS IS THE RECOMMENDED OPTION

This option calculates the average (mean) performance for each of the three programs and then calculates the average (mean) of the three averages. If the average of the averages is 100 percent or above the Workforce Development Area would be eligible.

Number of Areas Eligible: 12

Number of Areas Not Eligible: 0

Statewide, the average performance across all three programs is 110 percent of the targets. The Area results range from 105 percent to 117 percent.

2. Average Performance for Each Program (WIA Title I-B, Perkins, Adult Education)

This option calculates the average (mean) performance for each of the three programs. If each of the three averages is 100 percent or above the Workforce Development Area (WDA) would be eligible.

Number of Areas Eligible: 9

Number of Areas Not Eligible: 3

One WDA did not achieve an average of 100 percent for Perkins and for Adult Education. One WDA did not achieve an average of 100 percent for Perkins. One WDA did not achieve an average of 100 percent for Adult Education.

3. Average Performance for Each Funding Stream (The five funding streams are: Vocational and Technical Education, Adult Education, WIA Youth, WIA Adults, WIA Dislocated Workers.)

This option calculates the average (mean) performance for each of the 5 funding streams. If each of the five averages is 100 percent or above, the WDA is eligible.

Number of Areas Eligible: 5

Number of Areas Not Eligible: 7

One Area did not achieve an average of 100 percent for Vocational and Technical Education and for Adult Education. Six WDAs did not achieve an average of 100 percent for one of the funding streams (one for Vocational and Technical Education, one for Adult Education, two for WIA Title I-B Youth, and two for WIA Title I-B Adults).

Analysis of the Three Options

Option 3 is the method used by federal agencies to determine state eligibility. Option 3 would, therefore, be most consistent with the language in "High Skills, High Wages," that the Workforce Board will use the same method as the federal agencies to determine local Area eligibility.

The Board, however, criticized the Department of Labor for deciding to break WIA Title I-B into three programs for the purpose of determining incentive awards. The Board argued that if incentive awards were available only if each of 5 funding streams reaches an average of 100 percent of targets, it would drive states to low ball performance targets. The Board proposed that the formula in option 2 be used instead. Option 2, therefore, is consistent with the approach the Board recommended to the federal agencies.

Another factor to consider is whether the quality of the data and measures warrants high stakes decisions on Area eligibility. For example, the Department of Education uses completion rate for four of the seven measures for secondary vocational education and three of the seven federal measures for postsecondary vocational education. There are, however, serious questions about the meaningfulness of the completion rate measures. Most of the differences are probably due to data reporting differences rather than real differences among the schools and colleges.

In addition, in options 2 and 3 the differences between being eligible and ineligible can be very small. For example, in option 2 one WDA fails to be eligible because it achieved only an average of 99.1 percent of the Adult Education targets, even though it achieved an average of 110 percent of the Perkins targets and 131 percent of the WIA Title I-B targets.

Finally, the performance results fall within a narrow range, with little or only modest differences between the lowest and highest performing WDAs.

These data issues are an argument in favor of option 1.

Other Eligibility Options Considered

Three Pots

Technically it would be possible to determine eligibility separately for each of the three programs (WIA Title I-B, Vocational and Technical Education, and Adult Education). For example, the Workforce Board could divide the \$3 million grant into three \$1 million pots of money, one for each program. Eligibility for the WIA Title I-B pot would be based solely on the performance of the WDA for WIA Title I-B. This approach would have the advantage of rewarding a WDA for achieving targets in a program, and a greater award for achieving targets in two or three of the programs.

This option, however, seems inconsistent with the policies already established by the Workforce Board and the intent of the incentive award. The intent of the federal incentive award is to reward system-wide performance and to fund system-wide activities. “High Skills, High Wages,” states that local areas would receive an award based upon the performance in these programs, plural. And “High Skills, High Wages” states that the funds must be used for system-building activities, not activities that pertain only to one program.

Also, the policy adopted by the Workforce Board in June regarding local applications requires partnerships of all three programs in developing local applications to receive the funds. If there were an award to a WDA based only on the performance in one program, should the partners in the other two programs still have a say in how the funds would be used? The state application to the Department of Labor requires such partnerships. If the Workforce Board chose the option of dividing the single federal grant into three program pots, then the Board should consider modifying the state application already submitted to the Department of Labor regarding the partnership requirements for local applications.

“Rewarding Those that Perform”

Another option that some have suggested is to reward those that produced the performance results. This option would seem to imply awards at the institutional level. For example, some colleges made the targets, others did not, in the same Workforce Development Area; it would be technically feasible to award only the colleges that made their targets. This option has the advantage of rewarding performance. It has the same disadvantages discussed above under “three pots” plus the disadvantage of making individual awards that would be very small. A college that made its Perkins targets might receive about \$25,000. The awards would be even smaller for school districts. It would be difficult to have a major impact on the health care shortage with such small sums of money.

B. Allocation Options Among Eligible Areas

In addition to deciding how to determine a Workforce Development Area's eligibility for an incentive award, the Board needs to consider options for how much money each eligible area receives. Here are three options. The second two options are not mutually exclusive.

1. Equal Allocation

Each eligible WDA receives the same amount.

2. Allocation Based on Relative Size

Each eligible WDA's award is based on the relative size of the WDA as measured by the total number of participants in the three programs. (Technically, the number of participants is the number of program exiters included in the performance measures.) For example, an eligible WDA with two times the number of participants as the average-sized WDA would receive an award twice as large as the average-sized WDA (if they performed the same).

3. Allocation Based on Relative Performance

Each eligible WDA's award is based on their relative performance. For example, a WDA that exceeded 100 percent of targets by twice as much as the average WDA would receive an award twice as large as the average Area (if their size were the same).

Recommended Options

The recommendation is that each Area that exceeded 100 percent in its average performance across all three programs should be eligible for an award. This recommendation reflects the overall performance of the 12 areas. It also reflects measurement issues discussed above. Because of concerns with the federally required measures and data quality, and the narrow range within which the 12 WDAs performed, the performance results do not warrant making any WDA totally ineligible to receive funds from the Grant. The relative performance of the 12 WDAs can still be rewarded without any WDA being given zero funds.

The size of the award to eligible a WDA should be based on its relative performance as measured by the extent to which the WDA's average performance across all three programs exceeded 100 percent.

The size of the award should also be based on the relative size of the WDA as measured by the total number of participants in the three programs. This reflects the fact that it takes more money to have an effect in a larger area, both in terms of meeting needs and rewarding performance.

Performance and size should be weighted equally.

Distribution of Awards Based on the Three Options

The attachment shows the distribution of awards for each of the three eligibility options with the size of the allocations based on both relative size and relative performance (with size and performance having equal weight in affecting the size of the award).

Option 1 (12 WDAs Eligible)

Potential Awards Based half on Relative Size and Half on Relative Performance Above 100%
 Formula = [(A) * (\$1,500,000/12)] + [(B) * (\$1,500,000/12)]

Option 1 (12 WDAs Eligible)	(A)	(B)		Award for Performance (B) * \$125,000	Total Award Size+Perf
	Area Relative Size	Award for Size (A) * \$125,000	Area Relative Performance Minus 1.0		
01 Olympic	0.612	\$76,464	0.434	\$54,243	\$130,707
02 Pacific Mt	0.706	\$88,292	1.124	\$140,520	\$228,812
03 Northwest	0.666	\$83,285	0.839	\$104,935	\$188,220
04 Snohomish	0.989	\$123,605	0.956	\$119,549	\$243,155
05 King	3.799	\$474,873	0.615	\$76,874	\$551,747
06 Pierce	1.593	\$199,127	1.026	\$128,286	\$327,413
07 Southwest	0.785	\$98,108	0.944	\$118,039	\$216,147
08 North Central	0.524	\$65,508	1.246	\$155,782	\$221,291
09 Tri County	0.537	\$67,112	1.545	\$193,089	\$260,200
10 Eastern	0.429	\$53,582	1.222	\$152,731	\$206,313
11 Benton Franklin	0.417	\$52,176	0.790	\$98,690	\$150,866
12 Spokane	0.943	\$117,867	1.258	\$157,262	\$275,129
State Total	1.000	\$1,500,000	1.000	\$1,500,000	\$3,000,000

Option 2 (9 WDAs Eligible)

Potential Awards Based half on Relative Size and Half on Relative Performance above 100%
 Formula = [(A) * (\$1,500,000/9)] + [(B) * (\$1,500,000/9)]

Option 2 (9 WDAs Eligible)	(A)		(B)		Award for Performance (B) * \$166,667	Total Award Size+Perf
	Area Relative Size	Award for Size (A) * \$166,667	Area Relative Performance Minus 1.0	Award for Performance (B) * \$166,667		
01 Olympic		\$0		\$0	\$0	\$0
02 Pacific Mt	0.603	\$100,501	1.059	\$176,483	\$276,983	\$276,983
03 Northwest	0.569	\$94,802	0.791	\$131,791	\$226,592	\$226,592
04 Snohomish	0.844	\$140,698	0.901	\$150,145	\$290,843	\$290,843
05 King	3.243	\$540,539	0.579	\$96,548	\$637,087	\$637,087
06 Pierce	1.360	\$226,662	0.967	\$161,118	\$387,781	\$387,781
07 Southwest	0.670	\$111,674	0.889	\$148,249	\$259,923	\$259,923
08 North Central	0.447	\$74,567	1.174	\$195,651	\$270,218	\$270,218
09 Tri County	0.458	\$76,392	1.455	\$242,505	\$318,897	\$318,897
10 Eastern		\$0		\$0	\$0	\$0
11 Benton Franklin		\$0		\$0	\$0	\$0
12 Spokane	0.805	\$134,166	1.185	\$197,509	\$331,675	\$331,675
State Total	1.0000	\$1,500,000	1.0000	\$1,500,000	\$3,000,000	\$3,000,000

Option 3 (5 WDAs Eligible)

Potential Awards Based half on Relative Size and Half on Relative Performance above 100%
 Formula = [(A) * (\$1,500,000/5)] + [(B) * (\$1,500,000/5)]

Option 3 (5 WDAs Eligible)	(A)		(B)		Award for Performance (B) * \$300,000	Total Award Size+Perf
	Area Relative Size	Award for Size (A) * \$300,000	Area Relative Performance Minus 1.0	Award for Performance (B) * \$300,000		
01 Olympic		\$0		\$0	\$0	\$0
02 Pacific Mt	0.877	\$263,126	0.972	\$291,692	\$554,817	\$554,817
03 Northwest	0.827	\$248,205	0.726	\$217,824	\$466,029	\$466,029
04 Snohomish		\$0		\$0	\$0	\$0
05 King		\$0		\$0	\$0	\$0
06 Pierce	1.978	\$593,437	0.888	\$266,297	\$859,733	\$859,733
07 Southwest		\$0		\$0	\$0	\$0
08 North Central	0.651	\$195,228	1.078	\$323,374	\$518,601	\$518,601
09 Tri County	0.667	\$200,006	1.336	\$400,814	\$600,820	\$600,820
10 Eastern		\$0		\$0	\$0	\$0
11 Benton Franklin		\$0		\$0	\$0	\$0
12 Spokane		\$0		\$0	\$0	\$0
State Total	1.000	\$1,500,000	1.0000	\$1,500,000	\$3,000,000	\$3,000,000